



Office of Technology

The agencies in the Technology secretariat have the role of making the Commonwealth a leader in the growth of the information technology industry, as well as fostering the efficient and effective use of technology to best serve state government.

Summary of recommended funding for Technology agencies

Agency	Fiscal year 2005			Fiscal year 2006		
	GF	NGF	All funds	GF	NGF	All funds
Secretary of Technology	0.5	<0.1	0.5	0.5	<0.1	0.5
Innovative Technology Authority	5.8	0.0	5.8	3.9	0.0	3.9
Virginia Information Technologies Agency	9.6	33.0	42.7	1.3	33.0	34.3
Total for Office of Technology	16.0	33.1	49.1	5.7	33.1	38.8

Dollars in millions. Figures may not add due to rounding. See "How to Read the Table" on page 9.

Secretary of Technology

Activities of the agency:

The Secretary of Technology is appointed by the Governor and assists the Governor in the management and direction of state government by providing guidance to the agencies within the technology secretariat.

Recommended budget actions:

- ▶ **Adjust funding for rental charges.** Adjusts the agency's appropriation in response to the development of new rates for rental space at the seat of government. The new rates were developed to account for changes in the costs of contractual services, payments in lieu of taxes, utilities, vacant space, and personal services. For 2005, an increase of \$1,495 (GF). For 2006, an increase of \$2,135 (GF).
- ▶ **Restore funding for in-house information technology activities.** Restores funding previously removed for implementing the new statewide information technology reform initiative. This adjustment is necessary to account for legislated changes to the implementation schedule and scope of the initiative. For medium or large agencies, consolidation into the new structure was delayed until as late as January 2005. In addition, computer applications considered specific to an agency's particular operations were excluded from the reform initiative. For each year, an increase of \$1,004 (GF).
- ▶ **Implement VITA savings strategy.** Captures savings from new telecommunications contracts negotiated by the Virginia Information Technologies Agency (VITA), including for the new COVANET contract and, if applicable, any cell-phone usage. The COVANET contract includes

long distance voice services along with a comprehensive data network and Internet services. For each year, a reduction of less than \$1,000 (GF).

Innovative Technology Authority

Activities of the agency:

Virginia Institute for Defense and Homeland Security. To increase defense and homeland security research and development funding to Virginia's colleges and universities.

Nanotechnology Research in Virginia. To increase federal research funding of nanotechnology research by coordinating small and large-scale multi-university research proposals.

Life Sciences Research. To identify and fund strategic opportunities in life sciences technologies where Virginia can establish a leadership position nationally and internationally.

Virginia's Small Technology Businesses Opportunities. To use an aggressive direct marketing program to target Virginia technology companies to identify and support Virginia's applicants and recipients of two federal-sponsored programs, the Small Business Innovation Research Program (SBIR) and the Small Business Technology Transfer Program (STTR).

Advanced Technology Program Funding. To educate and recruit Advanced Technology Program (ATP) Virginia technology company candidates through a variety of activities. ATP Awards originate from the U.S. Department of Commerce's Advanced Technology Program and provide research and development funding dollars for high-risk technology ventures.

Federal Research and Development Contracting Opportunities. To support the acquisition and management of federal research and development contracts.

High-Potential Companies Development. To identify and groom such Virginia high-potential tech companies for target investment by the regional support and venture capital investment communities.

Regional Operations. To provide a variety of services to Virginia's small technology companies such as research support for patents, matching companies with technology expertise, identifying intellectual property suitable for marketing, and developing e-business support solutions.

Broadband Deployment. To increase the deployment of affordable last-mile advanced electronic communication services into Virginia's underserved areas, and to identify and secure federal or private funding.

Commission Administrative and Technology-Policy Support. To advise Virginia's Governor and federal government groups on appropriate research and technology-based commercial endeavors in Virginia, and to provide research and guidance to Virginia's Technology Research and Advisory Commission on opportunities to build advocacy or develop policy recommendations.

Commonwealth of Virginia Information Technology Symposium (COVITS). To organize the Commonwealth of Virginia Information Technology Symposium (COVITS), a world-class conference focused on the convergence of business, government, and academia leadership to identify, discuss, and propose solution to critical technology issues.

Commonwealth Technology Research Fund (CTRF) Administration. To administer the CTRF by advising on research awards, administering disbursing grant money to existing awardees, and overseeing any administrative issues that may arise such as annual performance reports.

Activity resources:

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Virginia Institute for Defense and Homeland Security*	0	0.00	0	0.00
Nanotechnology Research in Virginia*	0	0.00	0	0.00
Life Sciences Research*	0	0.00	0	0.00
Virginia's Small Technology Businesses Opportunities*	0	0.00	0	0.00
Advanced Technology Program Funding*	0	0.00	0	0.00
Federal Research and Development Contracting Opportunities	2,265,595	0.00	3,751,250	0.00
High-Potential Companies Development	1,699,197	0.00	0	0.00
Regional Operations	1,132,798	0.00	0	0.00
Broadband Deployment	566,399	0.00	0	0.00
Commission Administrative and Technology-Policy Support	25,000	0.00	25,000	0.00

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Commonwealth of Virginia Information Technology Symposium (COVITS)	57,000	0.00	57,000	0.00
Commonwealth Technology Research Fund (CTRF) Administration*	0	0.00	0	0.00
Total	5,745,989	0.00	3,833,250	0.00

* These activities are expected to generate alternative funding independent of state appropriations.

Recommended budget actions:

- ▶ **Provide funding for risk management premiums.** Adds funding for an increase in automobile and property insurance premiums, which are based on increased costs in the state's self-insurance programs. For 2005, an increase of less than \$1,000 (GF). For 2006, an increase of \$3,464 (GF). *[Affected Activity: Regional Operations]*
- ▶ **Restore funding for in-house information technology activities.** Restores funding previously removed for implementing the new statewide information technology reform initiative. This adjustment is necessary to account for legislated changes to the implementation schedule and scope of the initiative. For medium or large agencies, consolidation into the new structure was delayed until as late as January 2005. In addition, computer applications considered specific to an agency's particular operations were excluded from the reform initiative. For each year, an increase of \$89,303 (GF). *[Affected Activity: Regional Operations]*

Virginia Information Technologies Agency

Activities of the agency:

Business Services. To develop, acquire, and maintain business software for VITA's internal use or for statewide application. To provide state agencies with development and maintenance of business software, upon request.

Computing Platform. To provide state agencies with an efficient and economical centralized source of computing power and related data storage, back-up, facilities, and print services.

Knowledge Services. To provide advanced automated systems for state agencies that convert data into useful information, supporting both improved decision-making and enhanced citizen services.

Video Services. To provide video production, conferencing, and broadcasting services to customer agencies, upon request.

Voice Services. To provide a complete range of local and long-distance telephone, cellular, paging, and two-way radio services to customer agencies.

Planning and Governance. To provide internal guidance and direction for VITA operations, and to support the Information Technology Investment Board in planning and managing the Commonwealth's information technology investments.

Project Management and Oversight. To support successful completion of major IT projects through appropriate training and selection of project managers, and ongoing reviews of and assistance to projects in progress.

Legal and Legislative. To provide research, review, and drafting services that enable VITA management to evaluate legal and legislative approaches that best support VITA's mission.

Audit Services. To provide assurance that VITA systems and processes are properly controlled, are efficient and effective, and conform to applicable standards and requirements.

Desktop and End User Services. To provide desktop computing support to state agencies and manage service delivery.

E-Government Services. To manage the state's "electronic government" (e-government) systems, including managing the state's web portal (home page) and providing web page and on-line transaction development and maintenance for customer agencies, upon request.

Network Services. To provide comprehensive data communications in support of VITA and its customer agencies.

Financial Management. To develop, oversee the conduct of, and report on VITA's financial plans, budget, and rate schedule.

Procurement and Contracting Services. To ensure that VITA's supply chain for goods and services--who we buy from and how we buy it--is effectively maintained to provide the best value to the agency from its purchases.

Human Services. To effectively manage the agency’s most critical resource--its employees--via a comprehensive program of recruitment, training and career development, and communication.

Portfolio Management. To manage the state’s information technology assets and purchases as components of an investment portfolio, each of which must be regularly evaluated for its value and contribution.

Security Services. To ensure that VITA facilities and operations are secure from external or internal threats or unauthorized intrusions, and to provide electronic intrusion alert and response services for all state agencies.

Activity resources:

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Business Services	8,400,678	37.00	8,400,678	37.00
Computing Platform	48,669,772	129.00	48,669,772	129.00
Knowledge Services	463,989	3.00	463,989	3.00
Video Services	1,216,095	8.40	1,216,095	8.40
Voice Services	29,633,589	8.50	29,633,589	8.50
Planning and Governance	1,978,765	14.00	1,978,765	14.00
Project Management and Oversight	27,277,792	8.00	27,277,792	8.00
Legal and Legislative	632,058	3.00	632,058	3.00
Audit Services	125,701	1.00	125,701	1.00
Desktop and End User Services	4,017,862	24.00	4,017,862	24.00
E-Government Services	5,588,060	3.00	5,588,060	3.00
Network Services	21,485,619	35.60	21,485,619	35.60
Financial Management	5,723,455	41.00	5,723,455	41.00
Procurement and Contracting Services	3,877,969	20.00	3,877,969	20.00
Human Services	2,437,804	9.50	2,437,804	9.50
Portfolio Management	523,848	5.00	523,848	5.00
Security Services	5,252,208	17.00	5,252,208	17.00
Total	167,305,264	367.00	167,305,264	367.00

* The dollar amounts in this table include costs that are appropriated to other agencies and not to VITA. VITA receives these funds as revenue. Therefore the totals in this table will not match the detail table, which does not include such appropriations.

Recommended budget actions:

- ▶ **Support start-up costs for VITA consolidation.** Continues the funding for ongoing start-up costs to implement VITA’s consolidation effort in the areas of network management and security, VITA’s statewide customer care center, and desktop services for state agencies. For 2005, an increase of \$4.8 million (GF). *[Affected Activity: Project Management and Oversight]*
- ▶ **Add VITA start-up equipment out-year costs.** Continues financing costs for equipment associated with VITA’s Cisco Information Center, network security, and the Customer Care Center. For each year, an increase of \$519,000 (GF). *[Affected Activity: Computing Platform]*
- ▶ **Eliminate duplication of electronic mail systems.** Funds efforts to update and streamline agencies’ electronic mail systems. Executive branch agencies currently operate 94 separate electronic mail systems. Eliminating this duplication will simplify cross-agency communications, permitting a unified directory service, while significantly reducing licensing and support costs. For 2005, an increase of \$1.9 million (GF). A separate action in Part 3 of the Budget Bill transfers the nongeneral fund share of costs. *[Affected Activity: Project Management and Oversight]*
- ▶ **Provide funding for risk management premiums.** Adds funding for an increase in automobile and property insurance premiums, which are based on increased costs in the state's self-insurance programs. For 2006, an increase of less than \$1,000 (GF). *[Affected Activity: Business Services]*

- ▶ **Adjust funding for state employee workers' compensation premiums.** Adjusts funding to reflect changes in the premiums paid by the agency on behalf of its employees for workers' compensation. Changes in workers' compensation premiums are the result of changes in the covered payroll or claims experience. For each year, a reduction of less than \$1,000 (GF). *[Affected Activity: Business Services]*
- ▶ **Restore funding for in-house information technology activities.** Restores funding previously removed for implementing the new statewide information technology reform initiative. This adjustment is necessary to account for legislated changes to the implementation schedule and scope of the initiative. For medium or large agencies, consolidation into the new structure was delayed until as late as January 2005. In addition, computer applications considered specific to an agency's particular operations were excluded from the reform initiative. For each year, an increase of \$13,360 (GF). *[Affected Activity: Business Services]*
- ▶ **Develop and deploy improvements to the statewide E-911 network.** This funding updates technology and deploys improvements to the E-911 emergency communications network. Funding will be used to increase network responsiveness and to support projects involving new technologies, such as "voice-over Internet protocol," and wireless data services. For each year, an increase of \$1.0 million (NGF). *[Affected Activity: Project Management and Oversight]*
- ▶ **Produce operations efficiency savings.** Creates a reversion clearing account to capture general fund savings achieved by VITA management actions such as business practices, technology enhancements, operational efficiencies, or other cost-containment measures. In addition, the VITA will achieve savings through unfilled vacant positions and negotiated communications contracts. These savings will be reflected in reduced costs to agencies. General fund savings will be captured from agencies and transferred to VITA. A related action contained in language in the Budget Bill transfers the nongeneral fund savings to the general fund. For 2006, a savings of \$1.6 million (GF). *[Affected activity: all activities]*

Strategic planning and performance measurement information for all executive branch agencies can be accessed centrally through *Virginia Results*, the Commonwealth's automated performance management information system, at:
www.dpb.state.va.us/VAResults/VRHome.html



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Detail Tables

	Fiscal Year 2005			Fiscal Year 2006		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
SECRETARY OF TECHNOLOGY						
2004 legislative appropriation	478,108	48,782	526,890	478,108	48,782	526,890
Adjustments to legislative appropriation	17,591	0	17,591	17,591	0	17,591
2004-2006 base budget	495,699	48,782	544,481	495,699	48,782	544,481
Recommended budget actions:						
▶ Adjust funding for rental charges	1,495	0	1,495	2,135	0	2,135
▶ Restore funding for in-house information technology activities	1,004	0	1,004	1,004	0	1,004
▶ Implement VITA savings strategy	(116)	0	(116)	(116)	0	(116)
Total recommended budget actions	2,383	0	2,383	3,023	0	3,023
Total recommended funding	498,082	48,782	546,864	498,722	48,782	547,504
Percent change over base budget	.48%	0.00%	.44%	.61%	0.00%	.56%
Position level:						
2004 legislative appropriation	5.00	0.00	5.00	5.00	0.00	5.00
Recommended position level changes	0.00	0.00	0.00	0.00	0.00	0.00
Total recommended positions	5.00	0.00	5.00	5.00	0.00	5.00
INNOVATIVE TECHNOLOGY AUTHORITY						
2004 legislative appropriation	7,650,955	0	7,650,955	7,650,955	0	7,650,955
Adjustments to legislative appropriation	(1,904,966)	0	(1,904,966)	(3,817,705)	0	(3,817,705)
2004-2006 base budget	5,745,989	0	5,745,989	3,833,250	0	3,833,250
Recommended budget actions:						
▶ Provide funding for risk management premiums	122	0	122	3,464	0	3,464
▶ Restore funding for in-house information technology activities	89,303	0	89,303	89,303	0	89,303
Total recommended budget actions	89,425	0	89,425	92,767	0	92,767
Total recommended funding	5,835,414	0	5,835,414	3,926,017	0	3,926,017
Percent change over base budget	1.56%	N/A	1.56%	2.42%	N/A	2.42%
Position level:						
2004 legislative appropriation	0.00	0.00	0.00	0.00	0.00	0.00
Recommended position level changes	0.00	0.00	0.00	0.00	0.00	0.00
Total recommended positions	0.00	0.00	0.00	0.00	0.00	0.00

	Fiscal Year 2005			Fiscal Year 2006		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
VIRGINIA INFORMATION TECHNOLOGIES AGENCY						
2004 legislative appropriation	2,344,456	32,040,469	34,384,925	2,344,456	32,040,469	34,384,925
Adjustments to legislative appropriation	22,730	0	22,730	22,730	0	22,730
2004-2006 base budget	2,367,186	32,040,469	34,407,655	2,367,186	32,040,469	34,407,655
Recommended budget actions:						
▶ Support start-up costs for VITA consolidation	4,847,000	0	4,847,000	0	0	0
▶ Add VITA start-up equipment out-year costs	519,000	0	519,000	519,000	0	519,000
▶ Eliminate duplication of electronic mail systems	1,900,000	0	1,900,000	0	0	0
▶ Provide funding for risk management premiums	0	0	0	216	0	216
▶ Adjust funding for state employee workers' compensation premiums	(222)	0	(222)	(290)	0	(290)
▶ Restore funding for in-house information technology activities	13,360	0	13,360	13,360	0	13,360
▶ Develop and deploy improvements to the statewide E-911 network	0	1,000,000	1,000,000	0	1,000,000	1,000,000
▶ Produce operations efficiency savings	0	0	0	(1,644,000)	0	(1,644,000)
Total recommended budget actions	7,279,138	1,000,000	8,279,138	(1,111,714)	1,000,000	(111,714)
Total recommended funding	9,646,324	33,040,469	42,686,793	1,255,472	33,040,469	34,295,941
Percent change over base budget	307.50%	3.12%	24.06%	(46.96%)	3.12%	(.32%)
Position level:						
2004 legislative appropriation	22.00	345.00	367.00	22.00	345.00	367.00
Recommended position level changes	0.00	0.00	0.00	0.00	0.00	0.00
Total recommended positions	22.00	345.00	367.00	22.00	345.00	367.00
TOTAL FOR TECHNOLOGY						
Grand total recommended funds	15,979,820	33,089,251	49,069,071	5,680,211	33,089,251	38,769,462
Grand total recommended positions	27.00	345.00	372.00	27.00	345.00	372.00